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Sharon Mullin Director RECE Sturma Offairs

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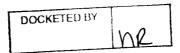
Sharon.Mullin@att.com

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Ernest Johnson, Director Utilities Division Arizona Corporation Commission 1200 W. Washington Phoenix, AZ 85007 Arizona Corporation Commission DOCKETED

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Re:Report Regarding Layoff of AT&T Employee in Arizona Pursuant to Decision No. 68865; Docket Nos. T-02428A-06-0203, T-03016A-06-0203, T-03116A-06-0203, T-03287A-06-0203 and T-03346A-06-0203

Dear Mr. Johnson:

On behalf of AT&T Inc. and its subsidiaries doing business in Arizona ("AT&T"), the purpose of this report is to provide further information regarding the layoff of one AT&T employee located in Arizona who was given notice of a surplus condition and for which AT&T provided the Commission notice on July 23, 2007. This report is provided pursuant to the first ordering paragraph at page 10 of Decision No. 68865.

The employee was a pre-merger AT&T management employee in the World Wide Customer Service organization. The employee performed service assurance for outsourcing data functions and network support by monitoring the clients' networks. The layoff was a result of business restructuring and consolidation of functions within the organization. In an effort to redeploy within AT&T, the employee retained access to the internal AT&T job search system. However, the employee did not locate another position within AT&T and thus received a severance package. If you have any questions regarding this report, please feel free to contact me at (512) 870-2280. Also, you can contact our local counsel, Mike Grant with Gallagher & Kennedy, P.A., at (602) 530-8291.

Ernest Johnson November 21, 2007 Page 2

Very truly yours,

Tham Mullin

Sharon Mullin

Director

AT&T Services, Inc.

cc (delivered): Ernest Johnson, Utilities Division (Delivered)
Mike Grant, Esq.

Original and 23 Copies filed with Docket Control this 21st day of November, 2007.